

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**In re:** : **Chapter 11**  
: **Case Nos. 00-B-41065 (SMB)**  
**RANDALL'S ISLAND FAMILY GOLF** : **through 00-B-41196 (SMB)**  
**CENTERS, INC., et. al.,** :  
: **(Jointly Administered)**  
**Debtors.** :  
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**ORDER PURSUANT TO SECTIONS 105, 363(b) AND (f) AND 365 OF THE  
BANKRUPTCY CODE AND BANKRUPTCY RULES 2002 AND 6004:**  
**(a) AUTHORIZING AND SCHEDULING AN AUCTION FOR THE SALE OF THE  
DEBTORS' ASSETS; (b) APPROVING THE TERMS AND CONDITIONS OF SUCH  
AUCTION, INCLUDING BIDDING PROCEDURES RELATING THERETO;**  
**(c) ESTABLISHING DEADLINE FOR SUBMISSION OF  
CURE AMOUNTS AND OTHER MATERIAL INFORMATION  
WITH RESPECT TO SUCH CERTAIN LEASES TO BE SOLD;**  
**(d) FIXING HEARINGS TO APPROVE AUCTION RESULTS, LEASE TRANSACTIONS  
AND TO RESOLVE ANY DISPUTES REGARDING CURE AMOUNTS OR  
OBJECTIONS TO LEASE ASSIGNMENTS AND**  
**(e) AUTHORIZING ASSUMPTIONS, REJECTIONS AND ABANDONMENTS  
WITH RESPECT TO EXECUTORY CONTRACTS**

A hearing having been held on January 19, 2001 (the "Hearing"), upon the motion dated January 11, 2001 (the "Motion") of the above-noted debtors and debtors-in-possession (collectively the "Debtors"), pursuant to Sections 105, 363(b) and (f) and 365 of the United States Bankruptcy Code and Rules 2002(a) and (c) and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") for entry of an Order: (a) authorizing and scheduling an auction for the sale of the Debtors' right, title and interest in and to certain assets as set forth on Exhibit A to the proposed bidding procedures attached to the Motion (collectively, the "Assets"); (b) approving the terms and conditions of such auction, including

bidding procedures included in the Motion (the “Bidding Procedures”) and (c) establishing a deadline for the submission by landlords of cure amounts and other material information relating to leasehold interests which will be subject to the auction; (d) fixing hearings to approve auction results, lease transactions and to resolve any disputes regarding cure amounts or objections to lease assignments; and (e) permitting the Debtors to assume and assign certain leases and to reject and abandon certain other leases and executory contracts; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and due notice of the Motion<sup>1</sup> having been provided to the United States Trustee, counsel to the Official Committee of Unsecured Creditors (the “Committee”), counsel to The Chase Manhattan Bank, as Agent for the Pre-Petition Lenders and as Agent for the DIP Lenders (“Chase”), Keen Realty Consultants, Inc. (“Keen”), the landlords of the affected locations, mortgagees and all other parties on the official service list, and it appearing that no other or further notice need be provided; and a hearing (the “Hearing”) on the relief sought in the Motion having been held on January 19, 2001; and several parties have filed objections to the Motion or voiced objections at the Hearing (collectively, the “Objections”) and the Court having determined that the relief sought in the Motion is in the best interest of the Debtors, their creditors and all parties in interest; and it appearing that an expedited sale and hearing process is required to maximize the value of the Assets; after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:**

1. The Motion is granted.

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<sup>1</sup> Unless otherwise defined herein, all capitalized terms shall have the meanings set forth in the Motion and in the Bidding Procedures.

2. Notice of the Hearing was adequate and in accordance with the Bankruptcy Rules and/or the prior order of this Court.

3. All Objections which were not settled or withdrawn are hereby overruled **SMB 1/23/01 unless preserved for the sale hearing.**

4. The Debtors are authorized to grant the “Stalking Horse” incentives and protections described in Section J of the Bidding Procedures.

5. The Bidding Procedures contained in the Motion, as modified at the Hearing, are hereby approved.

6. The Debtors are authorized to conduct an Auction of the Assets on **February 9, 2001 at 9:00 a.m.** (Eastern Standard Time) at The Sheraton, 811 Seventh Avenue, New York, NY 10189 (or such other location as may be identified by the Debtors prior to the Auction).

7. All Bids (this and other defined terms in this Order have the meanings ascribed to them in the Bidding Procedures) must be accompanied by the Required Bid Documents and must actually be received by (i) counsel to the Debtors; (ii) the Debtors; (iii) Keen; (iv) counsel to the Committee and (v) counsel to Chase at their respective addresses as set forth on page 3 of the Bidding Procedures.

8. Within forty-eight (48) hours following the completion of the Auction, the Debtors shall provide each landlord with relevant financial information for each Successful Bidder(s) where the Asset to be sold consists of an unexpired lease of non-residential real property (collectively, the “Assigned Leases”). Thereafter, the Debtors shall use their reasonable efforts to promptly obtain and provide such additional information as may be reasonably requested by each landlord.

9. A hearing (the “Hearing”) concerning: (a) the rejection and abandonment of certain leases and other executory contracts by the Debtors; (b) Lease Termination Agreements entered into between the Debtors and certain landlords; (c) the assumption and assignment of certain Assigned Leases with the consent of the landlord; (d) approval of proposed sales to Successful Bidders; and (e) any other issues relating to the Auction (except for issues to be raised at the Disputes Hearing) will be held on February 14, 2001 at 10:00 a.m. (Eastern Standard Time). Unless otherwise provided, all hearings shall be conducted in Room 723, United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004.

10. A hearing (the “Disputes Hearing”) concerning any disputes regarding (a) cure amounts asserted by landlords and (b) objections by landlords to the proposed assumption and assignment of leases or concession agreements, will be held on February 16, 2001 at 10:00 a.m.

11. Any objection regarding issues to be heard at the Hearing or the Disputes Hearing must be in writing, filed with the Court, and actually received by (i) the Debtors; (ii) counsel to the Debtors; (iii) Keen; (iv) counsel to the Committee and (v) counsel for Chase on or before two (2) days prior to the Hearing, or the Disputes Hearing, as the case may be. Until disputes regarding cure amounts are resolved, the Debtors shall escrow sufficient funds to cover all amounts in dispute, and Successful Bidder(s) shall be required to close notwithstanding any such disputes.

12. The Debtors may request that any order approving the assumption and assignment of Assigned Leases, the Lease Termination Agreements and the sale of any Assets be final and effective immediately, and the provisions of Bankruptcy Rule 6004(g) be waived. The Court will consider any such requests on a case-by-case basis.

13. Any landlord or non-debtor party to a concession agreement who wishes to assert a proposed cure amount for any Assigned Lease or concession agreement shall submit all of the information required by Section E of the Bidding Procedures, together with any other material information (collectively the “Arrears Statement”) relating to the Leases or concession agreement so as to be actually received by (i) the Debtors; (ii) counsel to the Debtors; (iii) Keen; (iv) counsel to the Committee and (v) counsel to Chase on or before **January 29, 2001 at 3:00 p.m.** (Eastern Standard Time). If no Arrears Statement is timely received (or if such Arrears Statement does not comply with the Bidding Procedures), then for all purposes in these cases, including, without limitation, with respect to the determination of total cure amounts required to be paid by the Debtors to assume and assign each Assigned Lease or concession agreement, the cure amount shall be deemed to be \$0 and each landlord for such Assigned Lease or non-debtor party to such concession agreement shall be forever barred from objecting to the proposed cure amount, including, without limitation, the right to assert any additional cure or other amounts with respect to their Assigned Lease or concession agreement. Landlords, mortgagees and non-debtor parties to concession agreements shall be deemed to be Qualified Bidders.

14. Any Mortgagee who seeks to bid on its own collateral must serve a Mortgagee Credit Bid Form and comply with Section F of the Bidding Procedures.

15. The Auction shall be conducted in accordance with the terms and provisions set forth in the Motion, including, without limitation, the Bidding Procedures (including exhibits thereto), all of which are incorporated into this Order as if set forth herein.

16. The Debtors, at or before the Auction, and in consultation with the Committee and Chase, may impose such other and additional reasonable terms and conditions that are non-material as they

determine to be in the best interests of the Debtors, their estates and creditors. Furthermore, the Debtors, at all times prior to the Auction, shall cooperate and consult with the Committee and Chase regarding all aspects of the Auction.

17. The Debtors are hereby authorized to take such other actions and execute such other documents as may be necessary to implement the terms of this Order and/or to conduct the Auction.

18. All persons or entities which submit a Bid for any Asset shall be deemed to have read and understood the terms and conditions of the Bidding Procedures and shall comply with and be bound by such Bidding Procedures.

19. All Bids, including all initial Bids and any subsequent written or oral Bids, shall remain open and irrevocable until the earlier to occur of (i) the Closing or (ii) thirty (30) days following the last date of the Auction, as adjourned unless the Debtors remove the property subject to such Bid from the Auction.

20. All real estate leases and concession agreements which are not assumed and assigned and personal property leases and other executory contracts appurtenant together (except those relating to the Debtors' Melville, New York headquarters) shall be deemed rejected, effective as of 11:59 p.m. on the date of the Hearing. Personal property leases and other executory contracts relating to sold properties or assigned real property leases or concession agreements shall be deemed rejected effective upon closing.

21. The Bankruptcy Court shall retain exclusive jurisdiction over any dispute relating to the Auction or the sale of any of the Assets.

22. All personal property located at any leased premises relating to a lease of non-residential real property which has been rejected in accordance with paragraph 21 above, shall be deemed abandoned by the Debtors effective as of 11:59 p.m. on the date of the Hearing.

23. All Owned Properties which are not sold at the Auction shall be abandoned, at the Debtors' discretion, in accordance with the procedures set forth in the Motion.

24. Other than with respect to any fees and expenses to be paid to Keen, Debtors shall not be liable for or responsible to pay any brokerage commission for any of the Assets.

25. Anything in this Order to the contrary notwithstanding, to the extent this Order or Bidding Procedures is inconsistent with the agreement between the Debtors, Chase, Mission Bank, Security Bank of Kansas, Chinatrust Bank (U.S.A.), Chinatrust Commercial Bank (New York Branch), Crown Life Insurance Company, Banco Popular de Puerto Rico, First Republic Bank, National City bank of Pennsylvania and Bank of America, N.A.(the "Objecting Lenders") placed on the record on January 12, 2001, the terms set forth on the January 12<sup>th</sup> record shall govern. It is further agreed that:

A. No break up fees, commissions or other costs or expenses shall be charged against the Objecting Lenders or proceeds due to them; to the extent they credit bid and such credits bid is the highest and best bid approval by the Court.

B. On or before February 7, 2001, the Debtor shall provide each Objecting Lender with copies of the qualified bids relating to the respective Objecting Lender's property;

C. The Objecting Lenders shall be deemed Qualified Bidders and may present their initial bids and any subsequent bids at the Auction;

D. Only the following provisions of the Bidding Procedures shall apply to the Objecting Creditors:

(i.) Paragraph A.2;

- (ii.) Paragraph C.4(a) as it respects the Bidder Registration form and the irrevocability of any Bid made by the Objecting Lender at the Auction;
- (iii.) Paragraph C.4(b);
- (iv.) Paragraph C.4(e);
- (v.) Paragraph C.5;
- (vi.) Paragraph F.10 and 11 as to the Mortgage Bid Form which shall be delivered at the conclusion of the Auction;
- (vii.) Paragraph G.12, 13, and 14;
- (viii.) Paragraph H.15, 16, 17, 18, and 19;
- (ix.) Paragraph I.20, 21, 22, 23, 24, and 25;
- (x.) Paragraph J except as set forth in 1 above;
- (xi.) Paragraph L including paragraph 34, as long as it does not impair rights-otherwise given to Objecting Lenders.

If, and in the event, any of the property subject to lien of the Objecting Lender is withdrawn from the Auction, the Debtor may continue to market that property. However, if should there not be a closing with respect to any such withdrawn property by March 31, 2001, the Objecting Lender may credit bid its claim, pursuant to §363 (k) and shall be the successful bidder, and entitled to the property.

**Dated: New York, New York**

**January 23, 2001**



/s/ STUART M. BERNSTEIN

**HONORABLE STUART M. BERNSTEIN**

**Chief United States Bankruptcy Judge**

